(ix) The maturity period of Kisan Vikas Patra was reduced from 5 1/2 years to 5 years, with the investment to double in 5 years. This was effective from 24.4.92.

(x) Quarterly compounding was adopted in place of half-yearly compounding in the case of Post Office Time Deposit, effective from 24.4.92.

(xi) The rate of interest in the case of Deposit Scheme for Retiring Government Employees, 1989 and Deposit Scheme for Retiring Employees of Public Sector Companies, 1991 was increased from 9 per cent to 10 per cent effective from 15.3.93.

(xii) Taking into account the fall in inflation rate and downward adjustment of rates of interest in banks, the rate of interest was reduced by 1 per cent to 2 year, 3 year and 5 year Post Office Time Deposit, Post Office Recurring Deposit, Post Office Monthly Income Account, with effect from 2.9.1993 and by 1.5 per cent in the case of 1 year Post Office Time deposit with effect from the same date. The maturity period of Indira Vikas Patra and Kisan Vikas Patra was also increased from 5 years to 5 1/2 years with effect from same date.

Besides, deduction from income from specified investments was raised from Rs. 7,000 to Rs. 10,000 by the Finance Act, 1993 with effect from April 1, 1994.

(c) Gross fixed capital formation which by and large reflects investment of a productive nature as it covers investment in the construction and machinery and equipment in the economy and excludes changes in inventory. As per the latest data available with the CSO upto 1992-93, gross fixed capital formation at market prices was Rs. 121189 crore in 1990-91, Rs. 135260 in 1991-92 and Rs. 150241 crore in 1992-93. These exceeded the corresponding gross saving figures as indicated in part (a) of the answer. Trends in savings and investment are reviewed and corrective measures taken whenever necessary.

Duty Concession on Certain Items

2724. DR. MULRI MANOHAR JOSHI:
SHRI TRILOKI NATH CHATURVEDI:

Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware of the names of the drugs, cosmetcs, plastic and other industries who have failed to pass on the duty concessions given in 1993-94 budget; if so, what are the details;

(b) whether the Ministry of Consumer Affairs have brought the names of some such companies to the notice of the Ministry of Finance, if so, the names thereof; and

(c) whether Government have already taken or propose to take any action against the defaulting industries and if so, what are the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) As per BICP report, on a quick study of 10 selected commodities, three main industries, namely man made fibres, durgs and cosmetics industries have not passed on the excise duty concessions in full to the consumers;

(b) Ministry of Civil Supplies and Consumer Affairs have sent a copy of the BICP Report to this Ministry with the request to examine it and take suitable action. While forwarding the said report the Ministry of Civil Supplies and Consumer Affairs have not specifically identified the names of such companies.

(c) There is no legal mechanism to enforce reduction in price to the extent of reduction in excise duty. Market prices are generally determined by multiplicity of factors, out of which duty of excise is one.

Public Sector Banks Denying Credit of RBI Bench Mark

2725. SHRI SANJAY DALMIA: Will

the Minister of FINANCE be pleased to state:

(a) whether Government are aware of the very sorrry state of affairs prevailing in the banking system and blatant flouting of norms by the public sector banks in Uttar Pradesh by denying credit at RBI bench mark of 60% and lending only 38% thus keeping a gap of 22% admissible credit;

(b) whether Government are further aware that 22% short fall or approximately Rs. 6,698.7 crores are being diverted other States like Maharashtra, Tamil Nadu, Gujarat etc. by banking system;

(c) if so, whether Government propose to direct the Banks guilty of flouting these norms to surrender the residue percentage of money i.e. the difference between the stipulated norm of 60% at RBI bench mark and the actual loan given with the RBI with the latter to pay nominal 10% interest to the concerned banks, to prevent such diversion and misuse;

(d) if not, what are the reason therefore; and

(e) whether Government propose to shift Head Office or Cental Office of any nationalised Bank to Uttar Pradesh?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) to (d) Presumably the Hon'ble Member is referring to the Reserve Bank of India's advice to public sector banks for achieving a credit deposit (C.D) ratio of 60% in respect of their rural and semiurban branches separately on an all India basis. Banks have been advised that while it is not necessary that this ratio should be achieved separately branch-wise, district-wise or region-wise the banks should nevertheless ensure that wide disparity in the ratios between different states/regions is avoided in order to minimise imbalance in credit deployment. The aggregate depostis and gross bank credit of nationalised bank in U.P. as at the end of December 93 are Rs. 17390, 44 lakhs and Rs. 6309, 42 lakhs respectively. The C.D. Ratio of these banks during the above period in U.P. is 36.28% as against the national average of 52.40%. It may be further stated that the C.D. ratio in a particular State/Region depends upon the credit absorption capacity of the State/Region which in turn is determined and influenced by factors such as development of infrastructural facilities like irrigation, power, rail, road, transport, basic and technical education, enterpreneurship and availability of required inputs and marketing outlets for agricultural, industrial production etc.

Reserve Bank of India (RBI) constituted a Committe on Credit Deposit Ratio in U.P. in August, 1992 to make recommendaitons for a time bound impovement in Credit Deposit Ratio. The Committee in its report has inter-alia observed that the infrasturctural support required for dispansation of credit to agricultural is well developed and consequently, this sector is in position to absorb credit to its potential. The same however, is not true for industry with the result the overall improvement in credit deposit ratio is gradual and uneven. Accordingly, the Committee has recommended that both the State Government and banks need to intervene and step up thier efforts considerably in the provision of infrastructure development of linkage and deployment of credit.

(e) At present there is no proposal under consideration of the Government to shift Head Office or Central Office of any nationalised banks to Uttar Pradesh.

Committee on PSUs

2726. SHRI VIREN J. SHAH:
SHRI PRAMOD MAHAJAN:

Will the Minister of FINANCE be pleased to state:

(a) whether a high-powered committee under his chairmanship has been set up